

§1.141-16

contract, is not treated as an amendment of the contract; and

(iii) An amendment that increases the amount of requirements covered by the contract by reason of a change in the method for determining such requirements is treated as a separate contract that is entered into as of the effective date of the amendment, but only with respect to the increased output to be provided under the contract.

(g) *Refunding bonds for output facilities.* Except as otherwise provided in paragraph (h) or (i) of this section, §§1.141-7 and 1.141-8 do not apply to any bonds sold on or after November 22, 2002, to refund a bond to which §§1.141-7 and 1.141-8 do not apply unless—

(1) The refunding bonds are subject to section 1301 of the Tax Reform Act of 1986 (100 Stat. 2602); and

(2)(i) The weighted average maturity of the refunding bonds is longer than—

(A) The weighted average maturity of the refunded bonds; or

(B) In the case of a short-term obligation that the issuer reasonably expects to refund with a long-term financing (such as a bond anticipation note), 120 percent of the weighted average reasonably expected economic life of the facilities financed; or

(ii) A principal purpose for the issuance of the refunding bonds is to make one or more new conduit loans.

(h) *Permissive retroactive application.* Except as provided in paragraphs (d), (e) or (i) of this section, §§1.141-1 through 1.141-6(a), 1.141-7 through 1.141-14, 1.145-1 through 1.145-2, 1.150-1(a)(3) and the definition of bond documents contained in §1.150-1(b) may be applied by issuers in whole, but not in part, to—

(1) Outstanding bonds that are sold before November 22, 2002, and subject to section 141; or

(2) Refunding bonds that are sold on or after November 22, 2002, and subject to section 141.

(i) *Permissive application of certain regulations relating to output facilities.* Issuers may apply §§1.141-7(f)(3) and 1.141-7(g) to any bonds.

[T.D. 8757, 63 FR 3265, Jan. 22, 1998, as amended by T.D. 8941, 66 FR 4670, Jan. 18, 2001; T.D. 8967, 66 FR 58062, Nov. 20, 2001; T.D. 9016, 67 FR 59765, Sept. 23, 2002]

26 CFR Ch. I (4-1-03 Edition)

§1.141-16 Effective dates for qualified private activity bond provisions.

(a) *Scope.* The effective dates of this section apply for purposes of §§1.142-0 through 1.142-2, 1.144-0 through 1.144-2, 1.147-0 through 1.147-2, and 1.150-4.

(b) *Effective dates.* Except as otherwise provided in this section, the regulations designated in paragraph (a) of this section apply to bonds issued on or after May 16, 1997 (the effective date).

(c) *Permissive application.* The regulations designated in paragraph (a) of this section may be applied in whole, but not in part, to bonds outstanding on the effective date.

[T.D. 8712, 62 FR 2302, Jan. 16, 1997]

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[T.D. 8712, 62 FR 2302, Jan. 16, 1997]

§1.142-1 Exempt facility bonds.

(a) *Overview.* Interest on a private activity bond is not excludable from gross income under section 103(a) unless the bond is a qualified bond. Under section 141(e)(1)(A), an exempt facility bond issued under section 142 may be a qualified bond.

Under section 142(a), an exempt facility bond is any bond issued as a part of an issue using 95 percent or more of the proceeds for certain exempt facilities.

(b) *Scope.* Sections 1.142-0 through 1.142-3 apply for purposes of the rules for exempt facility bonds under section 142, except that, with respect to net